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RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 5597  
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RUEHNE/AMEMBASSY NEW DELHI PRIORITY 3361  
RUEHCI/AMCONSUL KOLKATA PRIORITY 4859  
RUEHGV/USMISSION GENEVA PRIORITY 2475  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 3750  
RUEKJCS/SECDEF WASHDC PRIORITY  
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RUEAIIA/CIA WASHDC PRIORITY  
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C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 001102

SIPDIS

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TAGS: [PGOV](#) [KDEM](#) [NP](#)

SUBJECT: NEPAL: FM KOIRALA LASHES OUT AT RIVALS

REF: A. STATE 119813

[1](#)B. KATHMANDU 1090

Classified By: Charge d'Affaires, a.i., Randy W. Berry. Reasons 1.4 (b/d).

[1](#)1. (C) Summary: The Nepali Congress, the country's oldest political party, is deeply divided, according to DeputyPM/ForMin Sujata Koirala. Koirala frankly told Charge that her party rivals, led by Ram Chandra Poudel, are actively undermining her leadership and could destroy the party. Turning her sights on Prime Minister M.K. Nepal, Koirala said the PM is "petty" and power-hungry, and is attempting to place family member and allies in key government positions. End Summary.

[1](#)2. (C) Charge met Deputy Prime Minister and Foreign Minister Sujata Koirala on November 25 to deliver ref A demarche and press for progress on Nepal's stalled peace process (ref B). At the end of the meeting, Charge asked about the recent meeting of her political party, the Nepali Congress, and the overall state of the party. As the DeputyPM/FM started to respond, Nepal's top diplomat ordered her two aides to leave the room, then launched into highly undiplomatic, 15-minute tirade against her party rivals and Prime Minister Nepal.

Nepali Congress "Very Divided"

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[1](#)3. (C) Koirala said that the Nepali Congress is "very divided." She placed the blame squarely on the shoulders of her rival and the party's parliamentary leader, Ram Chandra Poudel. Poudel is doing everything possible to destroy Sujata Koirala and her allies, even going so far as to publicly attack and embarrass two of Nepali Congress' own ministers, Minister for Health Uma Chaudhary and Minister for Local Government Purna Kumar Limbu. Other senior party leaders, Prakash Man Singh, former PM Sher Bahadur Deuba, and Sushil Koirala, support Poudel in this effort. With such leaders, the "party has no future," Koirala said.

[1](#)4. (C) Koirala blamed Poudel for the negative press coverage of her recent trip to Singapore, where she accompanied her sick father for medical treatment, Nepali Congress head G.P. Koirala. She claimed that the reports about her excessive spending on luxury hotels and cars -- at government expense -- were unfair, noting that "everybody drives in Mercedes in Singapore" and that she could hardly take a "Maruti" with her. Koirala said the most damaging press stories came from

the Nepali language daily Nagarik, a paper that "everybody knows" Poudel controls.

¶5. (C) Asked by Charge whether her father, G.P. Koirala, could reunite the party, the Deputy Prime Minister said the senior Koirala was focused on the larger peace process, not "small" party affairs. She noted that the party's next election, currently scheduled for March 2010, would likely be delayed because the party leadership -- evidently not referring to her father or herself -- had not "done their homework."

"Petty" Prime Minister  
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¶6. (C) While clearly annoyed at Poudel, Koirala saved her sharpest jabs for Prime Minister M.K. Nepal. (Note: Nepal is a member of the Congress' main coalition partner, the Communist Party of Nepal-United Marxist Leninist (UML). End Note.) Koirala called the Prime Minister a "petty little man." Nepal insists on cutting every budget request, even by a few rupees, just to "show how powerful he is." Koirala also accused the Prime Minister of nepotism, forcing the Ministry of Foreign Affairs and other departments to give jobs to his relatives and UML supporters -- an ironic charge from a woman who owes her political position to her father.

Comment  
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¶7. (C) A controversial and erratic figure, Sujata Koirala's personal attacks on her fellow party members and Prime

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Minister were nonetheless surprising and underscore the deep divisions in the Nepali Congress. As his health declines, G.P. Koirala's strong grip on the party is loosening, and his clumsy efforts to promote his daughter frustrate other senior Congress leaders. While it is tempting to say that Sujata Koirala will fade when her father passes away, we should not write her off just yet. Her current position (as Deputy Prime Minister) allows her to dispense patronage and build a political base, which together with her personal wealth (extensive) and family name (comparable to the Gandhis in India) may make her a force to be reckoned with for years to come.

BERRY